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Northwest firms more ethical? Yes and no, say polls

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by Jack Broom
and James E. Lalonde
Times staff reporters

Northwest business: good people but bad practices? In separate Seattle Times Washington Polls, state residents and area business chiefs both gave Northwest business people high marks for honesty — but many said an assortment of questionable practices occurs regularly.

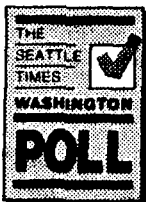
In the statewide random sample of 405 adults, 88 percent

said Northwest business leaders are "very honest" or "somewhat honest," but more than half said price-fixing, contract-padding and violation of environmental regulations, occur commonly or often.

"In any major metropolitan area, that's going to happen. When you have that much business going on, those things are going to happen a certain amount of the time," said Hugh Burleson, a commercial artist who lives on Lopez Island.

The heads of 170 Northwest companies, surveyed by mail, were less likely than the public to say that questionable prac-

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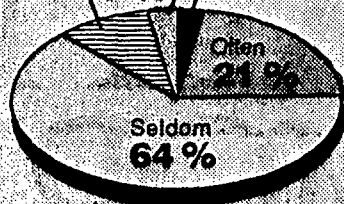


Business ethics: Public opinion vs. business opinion

Q. In Northwest business, how often does price fixing happen?

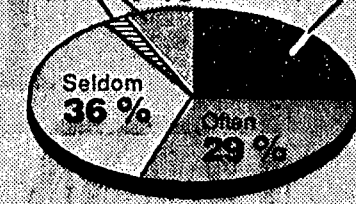
Business leaders said:

Never 9% DK/NA* 3% Commonly 3%



The public said:

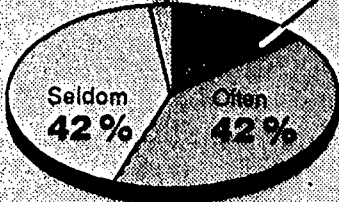
Never 2% DK/NA* 7% Commonly 26%



Q. How often do violations of environmental regulations happen?

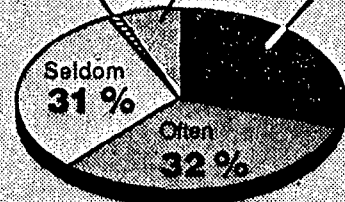
Business leaders said:

Never 0% DK/NA* 2% Commonly 14%



The public said:

Never 1% DK/NA* 6% Commonly 30%



* Didn't know / no answer

In the Seattle Times Washington Poll on business ethics, 405 state residents - selected at random - were interviewed by telephone. To compare their opinions to those in the business community itself, many of the same questions were asked in a questionnaire completed by the heads of 170 Northwest companies. Both surveys were completed by Elway Research.

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Business ethics rated

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tices happen routinely.

"I sense that there is a little higher standard that certainly exists in the business community here," said John Bauer, who moved here from Texas six years ago and is a managing partner in the Seattle office of Coopers & Lybrand, a Big Eight accounting firm.

Bauer speculates that a healthier economy compared to other places may be one reason for higher ethical standards. "It is when the economic cycle contracts, and it becomes tougher to grow or to maintain a margin, that the temptation to do things that are a little tainted comes into play."

Despite that widespread feeling, 60 percent of the executives surveyed said they had seen at least some minor ethical violations in their own companies.

Both surveys were conducted for The Times last month by Elway Research. Among the findings:

■ Sixty-two percent of the public and 56 percent of the business leaders said environmental violations occur either commonly or often in the Northwest.

■ Fifty-eight percent of the public and 40 percent of the business people said padding of contracts happens commonly or often.

■ Fifty-five percent of the public and 24 percent of the business leaders said price-fixing occurs commonly or often.

Smaller segments of the public and the business community also said false advertising, insider trading, industrial spying and payoffs to public officials also happen regularly in the Northwest.

Burleson, the commercial artist, said he thinks most business people are quite honest, but even so, consumers must stay on guard.

"It's a buyer-beware market," he said. "That's part of American business. You've got to be savvy or they'll take you. Somebody along the line sure will."

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